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Attorneys for Defendant  
DISCOVERY SALES, INC.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND DIVISION

UNITED STATES OF AMERICA,  
  
Plaintiff,  
  
vs.  
  
DISCOVERY SALES, INC.,  
  
Defendant.

Case No. CR-16-00199

**JOINT STIPULATION AND ~~PROPOSED~~  
ORDER RE: REDUCTION OF PAYMENT  
BOND TO REFLECT INSTALLMENT  
PAYMENTS OF FINE**

The Hon. Yvonne Gonzalez Rogers

Plaintiff UNITED STATES OF AMERICA and Defendant DISCOVERY SALES, INC.  
("DSI") (collectively "the Parties"), by and through their counsel, stipulate as follows:

1. On June 3, 2016, DSI was arraigned on a one-count Information alleging a  
violation of 18 U.S.C. § 1344.

2. On December 8, 2016, DSI appeared before this Court for a Change of Plea  
Hearing. On that same date, this Court sentenced DSI to the sentence that was included in the  
Plea Agreement - five years of probation, a \$400 special assessment, an \$8,000,000 fine, and  
\$3,000,000 in restitution.

3. On December 20, 2016, this Court entered a Judgment against DSI, which included  
the sentence ordered by the Court on December 8. Pursuant to the Judgment, DSI was required to

JOINT STIPULATION AND ~~PROPOSED~~ ORDER  
RE: REDUCTION OF PAYMENT BOND -  
Case No. CR16-00199

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1 pay the \$3,000,000 in restitution within 120 days of sentencing. Additionally, the Judgment  
2 required DSI to pay the \$8,000,000 fine in five annual installments, with the first installment of  
3 \$1,333,333 (plus interest) due on the one year anniversary of sentencing. Because the fine was to  
4 be paid in installments, the Judgment also required DSI to lodge an \$8,000,000 payment bond  
5 with the Clerk, United States District Court for the Northern District of California, as security for  
6 payment of the fine. DSI had lodged the \$8,000,000 payment bond with the Clerk of the Court on  
7 December 9, 2016, immediately following sentencing.

8 4. On December 28, 2016, DSI paid the special assessment of \$400.

9 5. On March 29, 2017, DSI paid \$3,000,000 in restitution to the Clerk of the Court.

10 6. On December 6, 2017, DSI paid the first installment of the fine in the amount of  
11 \$1,333,333 (plus interest). Therefore, the remaining balance for DSI's fine is \$6,666,667.

12 7. Given that DSI has made its first installment payment on December 6, 2017, the  
13 payment bond should be reduced to \$6,666,667 to reflect the remaining amount owed. The  
14 United States does not oppose such a reduction in the bond to reflect the installment payment and  
15 the reduction in the balance owed on the fine. The payment bond is reduced by General Surety  
16 Rider (attached hereto as Exhibit A), which requires the signature of the Clerk of the Court  
17 indicating acceptance of the reduction in the bond.

18 8. Therefore, the Parties request that the Court authorize the Clerk of the Court to sign  
19 the General Surety Rider, allowing for a reduction in the payment bond to \$6,666,667 to reflect  
20 the remaining amount DSI owes on the fine.

21 9. The Parties also acknowledge that this payment bond should be automatically  
22 reduced with each subsequent installment payment of the fine. Thus, in the interest of judicial  
23 efficiency, the Parties request that the Court authorize the Clerk of the Court, after each  
24 installment payment is made by DSI, to sign a General Surety Rider to reflect the new balance  
25 owing on the fine.

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SO STIPULATED.

Dated: February 21, 2018

ALEX G. TSE  
United States Attorney

By: /s/ John H. Hemann  
John H. Hemann  
Assistant United States Attorney

Attorneys for Plaintiff  
UNITED STATES OF AMERICA

Dated: February 21, 2018

FARELLA BRAUN + MARTEL LLP

By: /s/ William P. Keane  
William P. Keane

Attorneys for Defendant  
DISCOVERY SALES, INC.

1 **[PROPOSED] ORDER**

2 Based on the foregoing, and good cause appearing:

3 IT IS HEREBY ORDERED that the Clerk, United States District Court for the Northern  
4 District of California, is authorized to sign the General Surety Rider presented by Discovery Sales,  
5 Inc., indicating acceptance of the reduction of the payment bond from \$8,000,000 to \$6,666,667,  
6 to reflect Discovery Sales, Inc.'s installment payment of the fine paid on December 6, 2017.

7 IT IS ALSO HEREBY ORDERED that the Clerk, United States District Court for the  
8 Northern District of California, is authorized after each installment payment is made by Discovery  
9 Sales, Inc., to sign a General Surety Rider to reflect the new balance owing on the fine.

10  
11 IT IS SO ORDERED.

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14 Dated: February 23, 2018

  
HON. YVONNE GONZALEZ ROGERS  
United States District Court Judge